

NEWS RELEASE

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Senate Finance Committee: 202-224-4515 House Ways and Means Committee: 202-225-3625 House Energy and Commerce Committee: 202-225-2927

CONGRESSIONAL LEADERS PUSH FOR PERMANENT FIX TO BROKEN SGR FORMULA

<u>Leaders Say Bipartisan, Bicameral Bills Put an End to Quick Fixes, Vow to Continue Work Toward</u>

Permanent Solution

WASHINGTON – Senate Finance Committee Chairman Max Baucus (D-Mont.), Senate Finance Committee Ranking Member Orrin Hatch (R-UT), House Ways and Means Committee Chairman Dave Camp (R-MI), House Ways and Means Committee Ranking Member Sander Levin (D-MI), House Energy and Commerce Committee Chairman Fred Upton (R-MI) and House Energy and Commerce Committee Ranking Member Henry Waxman (D-CA) today applauded the bicameral, bipartisan progress toward replacing the broken Medicare Sustainable Growth Rate (SGR) formula.

The Senate Finance Committee and the House Ways and Means Committee each passed legislation today correcting a decade-long problem that has created uncertainty for millions of Medicare providers and beneficiaries. The House Energy and Commerce Committee passed a SGR replacement bill in July of this year. The Senate Finance Committee approved its bill overwhelmingly by voice vote. The House and Ways and Means Committee approved its bill with a vote of 39 -0.

"Since 2002, the SGR has threatened to make draconian cuts to physician payments – cuts that could cause seniors to lose access to their doctors. Every year, Congress has had to spend more time and money to pass temporary fixes. Congress has spent \$150 billion on these temporary patches. That's more than the current cost of repealing the SGR," Baucus said. "Enough is enough. After a decade of Band-Aid solutions, it is time for us to act. I am proud to say that today we have taken an important step toward that goal."

"For far too long, seniors' health care has been jeopardized by drastic Medicare physician payment cuts that Congress has to fix year after year with piecemeal patches," said Hatch. "Republicans and Democrats in the Senate and the House have come together to once and for all put an end to this uncertainty by repealing this broken payment formula and replacing it with a smarter approach that rewards quality health care over quantity. Now that this legislation moves out of Committee and onto the floor, we need to continue to work together to ensure that this smart policy becomes law and ensure that it doesn't add one dime to our nation's debt."

"After years of temporary patches, we are now closer to providing real security and stability for our nation's seniors and the doctors that care for them," Camp said. "We need to take advantage of all the bipartisan, bicameral progress that has been made on the underlying policy, especially given the reduced cost of replacing the current formula. I look forward to continuing to work with my

colleagues on the Committee, as well as those on the Energy and Commerce and Senate Finance Committees to deliver a permanent fix."

"This is more than just a fix. It creates a new permanent framework for physician payment in Medicare," said Ranking Member Levin. "The bipartisan legislation we reported today would provide stability, but, equally importantly, it would create a more accountable, patient-centered, quality-driven environment. Medicare is a lifeline for nearly 50 million senior citizens and people with disabilities. They deserve a reliable system that encourages smarter and better care, but they cannot afford to pay more just because the previous system was broken. I look forward to continuing our bipartisan and bicameral work as we move to the next step."

"I applaud the progress made today and look forward to working together in the New Year on a final, permanent solution that can pass the full House of Representatives, the Senate, and ultimately be signed into law by the president," said Upton. "The Energy and Commerce Committee drew on the expertise of physicians and focused on the concerns of patients in developing a bipartisan plan that was approved earlier this year. I look forward to working with my friend and colleague Dave Camp to reconcile our proposals, together with the Senate, and finally provide our seniors the peace of mind that their trusted doctor will still be available. Medicare patients deserve reform, the Energy and Commerce Committee is pleased to be part of the bipartisan group to get that done."

"While we still have more work to do, we are one step closer to our goal of providing a new framework for paying physicians based on quality and strengthening the Medicare program for beneficiaries," said Waxman. "I applaud my colleagues for today's action, and look forward to rolling up my sleeves to work with them on a final product both on physician payments and also other outstanding expiring policies, including those in Medicaid to ensure they are on a solid trajectory as well."

The legislation accomplishes four main goals:

- Repeals the SGR update mechanism and ties payments to quality and efficiency.
- Improves the fee-for-service system by streamlining Medicare's existing web of quality
 programs into one value-based performance program. It ensures accurate payments for
 services, and it encourages physicians to adopt proven practices.
- Incentivizes movement to alternative payment models to encourage doctors and providers to focus more on coordination and prevention to improve quality and reduce costs.
- Make Medicare more transparent by giving patients more access to information and doctors data they can use to improve care.

The bill passed by the Senate Finance Committee also permanently fixes a number of health care policies that have been extended annually, known as "extenders," which will give doctors and seniors more certainty.

The text of the Senate Finance Committee's mark, related amendments, and a section-by-section summary are available https://example.com/html/persons/leaf-400/ the section of the s

The text of the House Ways and Means Committee bill is available <u>here.</u>

The House Energy and Commerce Committee passed a SGR replacement bill in July of this year.